AMENDMENTS TO THE CLAIMS

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of claims:

1.   (currently amended) A computer system embedded with computer-readable medium having computer executable software code stored thereon, the code ~~method~~ for transfer of previously issued and transferable employee stock options, the ~~method~~ code comprising:

code for purchasing all rights to a transferable employee stock option from an employee holding the transferable employee stock option, wherein purchase does not require exercise of the transferable employee stock option; and

code for hedging the transferable employee stock option.

2.   (currently amended) A ~~method~~ computer system embedded with computer-readable medium according to claim 1, further comprising code for determining a value of the transferable employee stock option using an option pricing formula.

3.   (currently amended) A ~~method~~ computer system embedded with computer-readable medium according to claim 2, wherein the option pricing formula is selected

from the group consisting of Black-Scholes, binomial and trinomial methods.

4.   (currently amended) A ~~method~~ computer system embedded with computer-readable medium according to claim 1, further comprising code for registering an offering of securities underlying the transferable employee stock option.

5.   (cancelled)

6.   (currently amended) A ~~method~~ computer system embedded with computer-readable medium according to claim 1, further comprising code for either one time or periodically repeating the purchasing and hedging.

7.   (currently amended) A ~~method~~ computer system embedded with computer-readable medium according to claim 6, wherein the ~~term~~ time for periodic repeating is selected from the group consisting of monthly, quarterly, semi-annually and annually.

8.   (currently amended) A ~~method~~ computer system embedded with computer-readable medium according to claim 1, wherein the code for hedging the transferable employee stock option includes code for short selling of securities and/or futures contacts.

9.   (currently amended) A ~~method~~ computer system embedded with

<u>computer-readable medium</u> according to claim 1, wherein <u>the code for</u> hedging the transferable employee stock option includes <u>code for</u> buying and selling securities that underlie the transferable employee stock option.

10.   (currently amended) A ~~method~~ <u>computer system embedded with computer-readable medium</u> according to claim 1, wherein <u>the code for</u> hedging the transferable employee stock option includes <u>code for</u> buying and selling of securities that underlie the transferable employee stock option to rebalance the hedge position.

11.   (currently amended) A <u>computer system embedded with computer-readable medium having computer executable software code stored thereon, the code</u> ~~method~~ for transfer of previously issued and transferable employee stock options, the ~~method~~ <u>code</u> comprising:

 <u>code for</u> determining an economic value of a transferable employee stock option, the transferable employee stock option held by an employee, based on an option pricing formula;

 <u>code for</u> making the economic value available to the employee holder of the transferable employee stock option; and

 <u>code for</u> providing the economic value to the employee holder of the transferable employee stock option in exchange for all rights in the transferable employee stock option, wherein exchange of the transferable employee stock option does not require exercise of the transferable employee stock option.

12. (currently amended) A ~~method~~ <u>computer system embedded with computer-readable medium</u> according to claim 11, wherein the economic value is a cash value.

13. (currently amended) A ~~method~~ <u>computer system embedded with computer-readable medium</u> according to claim 11, wherein the economic value is a number of shares of stock.

14. (currently amended) A ~~method~~ <u>computer system embedded with computer-readable medium</u> according to claim 11, wherein exchanging occurs within a predetermined window of time.

15. (currently amended) A ~~method~~ <u>computer system embedded with computer-readable medium</u> according to claim 11, wherein exchanging occurs periodically.

16. (currently amended) A ~~method~~ <u>computer system embedded with computer-readable medium</u> according to claim 11, wherein the option pricing formula is selected from the group consisting of Black-Scholes, binomial and trinomial methods.

17. (currently amended) A <u>computer system embedded with computer-readable medium having computer executable software code stored thereon, the code</u> ~~method~~ for

issue of ~~previously issued and~~ transferable employee stock options, the ~~method~~ code comprising:

code for issuing a transferable employee stock option with transfer rights that allow transfer of the transferable employee stock option to a third party; and

code for establishing a beginning date for the transfer rights at a predetermined date following the date of issue of the transferable employee stock option, wherein transfer rights of the transferable employee stock option are distinct from exercise rights of the transferable employee stock option, and the transfer rights allow transfer of all rights in the transferable employee stock option to the third party in exchange for value without requiring exercise of the transferable employee stock option.

18.   (currently amended) A ~~method~~ computer system embedded with computer-readable medium according to claim 17, wherein the transferable employee stock option includes a vesting date and the beginning date is later than the vesting date.

19.   (currently amended) A computer system embedded with computer-readable medium having computer executable software code stored thereon, the code ~~method~~ for transfer of previously issued and transferable employee stock options, the ~~method~~ code comprising:

code for determining a cash value of an underwater transferable employee stock option based on the Black-Scholes option pricing formula;

code for publishing the cash value; and

code for exchanging all rights in the underwater transferable employee stock option for the cash value during a predetermined window of time, wherein exchange of the transferable employee stock option does not require exercise of the transferable employee stock option.

20.   (currently amended) A computer system embedded with computer-readable medium having computer executable software code stored thereon, the code method for hedging previously issued and transferable employee stock options, the method code comprising:

code for exchanging an economic value for all rights in a transferable employee stock option, the economic value based on an option pricing formula, wherein exchange of the transferable employee stock option does not require exercise of the transferable employee stock option; and

code for hedging the transferable employee stock option with a future.

21.   (currently amended) A method computer system embedded with computer-readable medium according to claim 20, further comprising:

code for borrowing stock;

code for purchasing a 1-delta amount of stock; and

code for selling a 1-delta amount of stock.

22.   (currently amended) A method computer system embedded with

computer-readable medium according to claim 20, further comprising code for determining

whether it is optimal to early exercise the future.

23.   (currently amended) A ~~method~~ computer system embedded with

computer-readable medium according to claim 20, further comprising code for determining

whether the transferable employee stock option is in the money.

24.   (currently amended) A ~~method~~ computer system embedded with

computer-readable medium according to claim 20, further comprising code for exercising the

transferable employee stock option.

25.   (currently amended) A ~~method~~ computer system embedded with

computer-readable medium according to claim 20, further comprising code for closing out the

future position.

26.   (currently amended) A ~~method~~ computer system embedded with

computer-readable medium according to claim 20, further comprising code for delivering a

prospectus.

27.   (currently amended) A computer system embedded with computer-

readable medium having computer executable software code stored thereon, the code ~~method~~ for

hedging previously issued and transferable employee stock options, the ~~method~~ <u>code</u> comprising:

code for exchanging an economic value for all rights in a transferable employee stock option, the economic value based on an option pricing formula, wherein exchange of the transferable employee stock option does not require exercise of the transferable employee stock option; and

code for hedging the transferable employee stock option with stock.

28.   (currently amended) A ~~method~~ <u>computer system embedded with computer-readable medium</u> according to claim 27, further comprising <u>code for</u> borrowing an amount of stock equal to the amount of the transferable employee stock options received in the exchange.

29.   (currently amended) A ~~method~~ <u>computer system embedded with computer-readable medium</u> according to claim 27, further comprising <u>code for</u> selling a delta amount of stock.

30.   (currently amended) A ~~method~~ <u>computer system embedded with computer-readable medium</u> according to claim 27, further comprising:

code for borrowing stock;

code for purchasing a 1-delta amount of stock; and

code for selling a 1-delta amount of stock.

31.   (currently amended) A ~~method~~ computer system embedded with computer-readable medium according to claim 27, further comprising:

code for monitoring changes in delta; and

code for buying or selling stock based on the changes in delta.

32.   (new) A computer system connected by internet having computer-readable medium with computer executable software code stored thereon, the code for transfer of previously issued and transferable employee stock options, the code comprising:

code for purchasing all rights to a transferable employee stock option from an employee holding the transferable employee stock option, wherein purchase does not require exercise of the transferable employee stock option; and

code for hedging the transferable employee stock option.